

**CEDAR BASE ELECTRONIC (GROUP) LTD:
HOW LONG WILL THE CHAIRMAN BE ABLE TO FUND IT?**

Another electronics company, listed on the Main Board of The Stock Exchange of Hongkong Ltd, appears to be in trouble.

The company is Cedar Base Electronic (Group) Ltd (Code: 855, Main Board), a producer of calculators and hand-held currency converters, which went public at the tail end of 1999.

Cedar Base, recently, was sued twice in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for about \$HK460,296.40 and \$HK303,601.02.

The Plaintiff in the larger case is the public relations company of Capital Financial Press Ltd, which company claims that, between June 25, 2002 and October 29, 2002, it performed *'the charges of certain business/commercial announcements and documents printed and delivered to the Defendant...'*

It is alleged by Capital Financial Press that, despite repeated demands and requests, *'the Defendant has failed and/or refused to pay the said sum ...'*

In the case of Fung Yip Metals Ltd, the company that sued a 100-percent owned subsidiary of Cedar Base Electronic (Group) Ltd, namely, Cedar Base Electronic Ltd, for \$HK303,601.02, it is being alleged that Fung Yip Metals sold and delivered goods to Cedar Base Electronic between May 2002 and October 2002, but it has yet to be paid for the goods.

In the middle of last month, Edwin Industries Ltd sued Cedar Base Electronic for \$HK164,143.54 in respect of alleged deliveries of goods, made between June 2002 and August 2002, for which only \$HK1,750 was ever paid.

In aggregate, therefore, in the past month, Cedar Base has been accused of not paying bills in the sum of \$HK928,040.

This is hardly a king's ransom, but Cedar Base, in the last Financial Year, ended March 31, 2002, lost about \$HK63.40 million.

In the previous Year, a Net Profit Attributable to Shareholders of about \$HK7.59 million was recorded.

The losses of 2002 were the first losses recorded since at least 1998, according to the 2002 Annual Report.

During the 2002 Financial Year, Cedar Base raised about \$HK98 million, net of expenses, by the issuance of New Shares in 4 separate tranches, and had, in the bank, about \$HK34.30 million, as at the Balance Sheet Date: March 31, 2002.

All of the Share Placements were made to Great Wonder Investments Ltd.

Great Wonder is beneficially owned by the Chairman of Cedar Base, Mr Tong Yiu Lun.

So, it would appear that Mr Tong is pumping up the finances of his Company with cash ... on the barrel head, whenever it is needed.

But, for how long can he continue to be the sole benefactor of this company?

How deep are his pockets?

The Past

When [Cedar Base](#) went public in October 1999, this is what TARGET said about the company:

'Cedar Base Electronic (Group) Ltd, the latest company to go public on The Stock Exchange of Hongkong Ltd, appears to have the corporate personality of an oyster ... [CLICK TO ORDER FULL ARTICLE](#)

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